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and Floworks, Inc. and Relief Defendant
Linworth, LLC*
8

9
10 **UNITED STATES DISTRICT COURT**
11 **DISTRICT OF NEVADA**

12 SECURITIES AND EXCHANGE
13 COMMISSION,

14 Plaintiff,

15 v.

16 LEWIS E. GRAHAM II, and
17 FLOWORKS, INC.

18 Defendants,

19 and

20 LINWORTH, LLC,

21 Relief Defendant.

22
Case No. 2:09-CV-00250-JCM-LRL

23
**DEFENDANTS LEWIS E. GRAHAM II
AND FLOWORKS, INC. AND RELIEF
DEFENDANT LINWORTH, LLC'S
FIRST AMENDED ANSWER TO
COMPLAINT**

24
JURY DEMAND

25
Defendants LEWIS E. GRAHAM II ("Graham") and FLOWORKS, INC. ("Floworks")
26 and Relief Defendant LINWORTH, LLC ("Linworth") (Graham, Floworks, and Linworth are
27 collectively referred to herein as the "Defendants"); by and through their counsel of record,
28 Greenberg Traurig, LLP, hereby answer the allegations contained in the Complaint filed by
Plaintiff SECURITIES AND EXCHANGE COMMISSION ("Plaintiff") as follows:
///

INTRODUCTION

1. Answering Paragraph 1 of Plaintiff's Complaint, Defendants acknowledge that Plaintiff seeks injunctive relief, disgorgement, prejudgment interest, civil penalties, and other relief against these answering Defendants. As to all of the allegations in Paragraph 1 that could be potentially construed against these answering Defendants, Defendants deny each and every allegation against them contained in said paragraph.

DEFENDANTS

2. Answering Paragraph 2 of Plaintiff's Complaint, Defendants admit that Graham is currently a resident of Las Vegas, Nevada, that Graham is the president of Floworks, that Floworks was elected by SSI's members to serve as SSI's manager, and that Graham filed a Petition for Relief under Chapter 11 of the U.S. Bankruptcy Code in the District of Oregon, Case NO. 07-62339-fra11. As to any remaining allegations in Paragraph 2 that could implied against these answering Defendants, Defendants deny such allegations.

3. Answering Paragraph 3 of Plaintiff's Complaint, Defendants admit that Floworks is a Nevada corporation with its current principal place of business in Las Vegas, that during the times at issue in the Complaint, that Graham was the president of Floworks, and that Floworks' sole shareholder was FLOWorks, LLC, which is now known as Linworth LLC. As to the remaining allegation in Paragraph 3, Defendants affirmatively allege that Floworks was originally elected manager of SSI in early October 2002. As to any remaining allegations in Paragraph 3 that could be implied against these answering Defendants, Defendants deny such allegations.

RELIEF DEFENDANT

4. Answering Paragraph 4 of Plaintiff's Complaint, Defendants admit that Linworth was formerly known as FLOWorks LLC, a Nevada limited liability company that is currently 99% owned in equal shares by Graham and his wife, Marina D. Graham and that Linworth LLC changed its name from FLOWorks LLC to its current name in or around December 2007. These answering Defendants affirmatively allege that a third member received an interest in Linworth LLC in 2003 that was not perfected by tax filings until December 2006. These

1 answering Defendants deny any remaining allegations that could be construed against them
 2 contained in Paragraph 4 of Plaintiff's Complaint.

3 **OTHER RELATED ENTITIES AND INDIVIDUALS**

4 5. Answering Paragraph 5 of Plaintiff's Complaint, Defendants admit Stanford
 5 Square Investors LLC ("SSI") is currently a Nevada limited liability company, that it was a
 6 California limited liability company during most of the time period at issue, and that SSI is
 7 managed by Floworks. These answering Defendants affirmatively allege that SSI's principal
 8 place of business is located in Nevada. These answering Defendants deny all of the remaining
 9 allegations that could be construed against them in Paragraph 5 of Plaintiff's Complaint.

10 6. Answering Paragraph 6 of Plaintiff's Complaint, these answering Defendants are
 11 without knowledge or information sufficient to form a belief as to the truth or falsity of the
 12 allegations contained in Paragraph 6 of the Complaint and therefore deny the same.

13 7. Answering Paragraph 7 of Plaintiff's Complaint, these answering Defendants are
 14 without knowledge or information sufficient to form a belief as to the truth or falsity of the
 15 allegations contained in Paragraph 7 of the Complaint and therefore deny the same.

16 8. Answering Paragraph 8 of Plaintiff's Complaint, Defendants admit the allegations
 17 contained therein.

18 **SUMMARY**

19 9. Answering Paragraph 9 of Plaintiff's Complaint, Defendants admit the allegations
 20 contained therein.

21 10. Answering Paragraph 10 of Plaintiff's Complaint, Defendants admit that on or
 22 about June 14, 2005, SSI sold its primary asset, an office building in Palo Alto, California.
 23 These answering Defendants deny all of the remaining allegations contained in Paragraph 10 of
 24 Plaintiff's Complaint.

25 11. Answering Paragraph 11 of Plaintiff's Complaint, Defendants deny each and every
 26 allegation contained therein.

27 12. Answering Paragraph 12 of Plaintiff's Complaint, Defendants admit that
 28 approximately sixty-one SSI investors chose to hold their SSI interest and participate in a §

1 1031 exchange involving property located in Eugene, Oregon. Defendants further admit that
2 three SSI investors sold their interests to another SSI investor and/or to SSI. These answering
3 Defendants deny all of the remaining allegations contained in Paragraph 12 of Plaintiff's
4 Complaint.

5 13. Answering Paragraph 13 of Plaintiff's Complaint, Defendants admit that Graham
6 contacted several attorneys in connection with SSI's sale of property located in Palo Alto,
7 California and in connection with purchase of property located in Eugene, Oregon. These
8 answering Defendants deny all of the remaining allegations contained in Paragraph 13 of
9 Plaintiff's Complaint.

10 14. Answering Paragraph 14 of Plaintiff's Complaint, Defendants deny each and every
11 allegation contained therein.

12 15. Answering Paragraph 15 of Plaintiff's Complaint, Defendants admit that
13 Floworks, as manager of SSI, was entitled to compensation for the services it rendered to SSI as
14 its manager beginning in 2002, but affirmatively allege that Floworks has never received some
15 of the compensation due and owing to it for the services it rendered. These answering
16 Defendants deny all of the remaining allegations contained in Paragraph 15 of Plaintiff's
17 Complaint.

18 16. Answering Paragraph 16 of Plaintiff's Complaint, Defendants deny each and every
19 allegation contained therein.

20 17. Answering Paragraph 17 of Plaintiff's Complaint, Defendants deny each and every
21 allegation contained therein.

22 18. Answering Paragraph 18 of Plaintiff's Complaint, Defendants deny each and every
23 allegation contained therein.

24 19. Answering Paragraph 19 of Plaintiff's Complaint, Defendants acknowledge that
25 Plaintiff seeks injunctive relief, disgorgement, prejudgment interest, civil penalties, and other
26 relief against these answering Defendants. As to all of the allegations in Paragraph 19 that
27 could be potentially construed against these answering Defendants, Defendants deny each and
28 every allegation against them contained in said paragraph.

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JURISDICTION AND VENUE

3 20. Answering Paragraph 20 of Plaintiff's Complaint, Defendants deny each and every
4 allegation contained therein.

5 21. Answering Paragraph 21 of Plaintiff's Complaint, Defendants admit the
6 allegations contained therein.

7 22. Answering Paragraph 22 of Plaintiff's Complaint, Defendants admit the
8 allegations contained therein.

FACTS**The Palo Alto and Eugene Property Transactions**

11 23. Answering Paragraph 23 of Plaintiff's Complaint, Defendants admit that SSI
12 purchased an office building in approximately 1985 for approximately \$15 million which was
13 SSI's primary asset until the property's sale on or about June 14, 2005. These answering
14 Defendants deny all of the remaining allegations contained in Paragraph 23 of Plaintiff's
15 Complaint.

16 24. Answering Paragraph 24 of Plaintiff's Complaint, Defendants deny each and every
17 allegation contained therein.

18 25. Answering Paragraph 25 of Plaintiff's Complaint, Defendants admit that
19 Floworks, as manager of SSI, periodically distributed informational updates, periodic ballots,
20 and related disclosures to the SSI investors addressing the proposed sale of the Palo Alto office
21 building. These answering Defendants deny all of the remaining allegations contained in
22 Paragraph 25 of Plaintiff's Complaint.

23 26. Answering Paragraph 26 of Plaintiff's Complaint, Defendants deny each and every
24 allegation contained therein.

25 27. Answering Paragraph 27 of Plaintiff's Complaint, Defendants deny each and every
26 allegation contained therein.

27 28. Answering Paragraph 28 of Plaintiff's Complaint, Defendants deny each and every
28 allegation contained therein.

1 29. Answering Paragraph 29 of Plaintiff's Complaint, Defendants admit the
2 allegations contained therein.

3 30. Answering Paragraph 30 of Plaintiff's Complaint, Defendants admit the
4 allegations contained therein.

5 31. Answering Paragraph 31 of Plaintiff's Complaint, Defendants admit that the
6 Eugene Property referenced in the Complaint was owned by Western Mechanical, LLC in or
7 about early July 2005. These answering Defendants deny all of the remaining allegations
8 contained in Paragraph 31 of Plaintiff's Complaint.

9 32. Answering Paragraph 32 of Plaintiff's Complaint, Defendants admit that SSI and
10 Langenburg executed a Joint Ownership Agreement on or about July 28, 2005. The terms and
11 language of the Joint Ownership Agreement speak for themselves. These answering
12 Defendants deny that the Joint Ownership Agreement categorically excluded all fixtures,
13 furnishings, and equipment.

14 33. Answering Paragraph 33 of Plaintiff's Complaint, Defendants admit that escrow
15 for SSI wired approximately \$2.8 million of cash proceeds from its sale of a Palo Alto office
16 building to a qualified intermediary's account, which later wired the cash proceeds to an escrow
17 account for the purchase of property located in Eugene. As to the remaining allegations
18 contained in Paragraph 33 of Plaintiff's Complaint, these answering Defendants are without
19 knowledge or information sufficient to form a belief as to the truth or falsity of the allegations
20 contained in Paragraph 33 of the Complaint and therefore deny the same.

21 34. Answering Paragraph 34 of Plaintiff's Complaint, Defendants deny each and every
22 allegation contained therein.

23 35. Answering Paragraph 35 of Plaintiff's Complaint, Defendants admit that Graham
24 signed a promissory note as president of Floworks on behalf of SSI as its manager. The terms
25 and language of the promissory note referenced in Paragraph 35 speak for themselves.

26 36. Answering Paragraph 36 of Plaintiff's Complaint, Defendants deny each and every
27 allegation contained therein.

28 37. Answering Paragraph 37 of Plaintiff's Complaint, Defendants admit that Graham,

1 as president of SSI's manager, sent a letter to SSI investors dated August 19, 2005. The
2 language of the August 19, 2005 letter speaks for itself.

3 38. Answering Paragraph 38 of Plaintiff's Complaint, the language of the August 19,
4 2005 letter speaks for itself. Defendants admit that LRI offered to pay \$30,000 for every 1%
5 interest in the SSI. As to the remaining allegations contained in Paragraph 38 of Plaintiff's
6 Complaint, these answering Defendants deny each and every allegation contained therein.

7 39. Answering Paragraph 39 of Plaintiff's Complaint, the language of the August 19,
8 2005 letter and any ballot attached thereto speaks for itself.

9 40. Answering Paragraph 40 of Plaintiff's Complaint, Defendants admit that investors
10 representing at least 61.9% of the SSI membership interest elected to hold their membership
11 interest after August 19, 2005 pursuant to their actions.

12 41. Answering Paragraph 41 of Plaintiff's Complaint, Defendants admit that investors
13 representing approximately 38% of the SSI membership elected to sell their interest to LRI and
14 that SSI and an SSI investor purchased approximately 7% of the SSI membership interest after
15 August 19, 2005. As to the remaining allegations contained in Paragraph 41 of Plaintiff's
16 Complaint, these answering Defendants are without knowledge or information sufficient to
17 form a belief as to the truth or falsity of the allegations contained in Paragraph 41 of the
18 Complaint and therefore deny the same.

19 42. Answering Paragraph 42 of Plaintiff's Complaint, Defendants admit that LRI and
20 FLOWorks, LLC finalized terms of an operating agreement for H2O Bottling in or around
21 September 2005. The terms and language of the H2O Bottling Operating Agreement speak for
22 themselves.

23 43. Answering Paragraph 43 of Plaintiff's Complaint, Defendants admit that LRI and
24 SSI entered into a commercial lease agreement with H2O Bottling, LLC. The terms and
25 language of the commercial lease agreement speak for themselves.

26 44. Answering Paragraph 44 of Plaintiff's Complaint, Defendants admit that SSI and
27 LRI obtained loans from Grand Pacific Financing Corporation in October 2005. The terms and
28 language contained in the financing speak for themselves. As to any remaining allegations

1 contained in Paragraph 44 of Plaintiff's Complaint, these answering Defendants are without
2 knowledge or information sufficient to form a belief as to the truth or falsity of the allegations
3 contained in Paragraph 44 of the Complaint and therefore deny the same.

4 45. Answering Paragraph 45 of Plaintiff's Complaint, these answering Defendants are
5 without knowledge or information sufficient to form a belief as to the truth or falsity of the
6 allegations contained in Paragraph 45 of the Complaint and therefore deny the same.

7 46. Answering Paragraph 46 of Plaintiff's Complaint, Defendants deny each and every
8 allegation contained therein.

9 47. Answering Paragraph 47 of Plaintiff's Complaint, Defendants deny each and every
10 allegation contained therein. These answering Defendants affirmatively allege that any and all
11 actions taken by SSI's manager were affirmed and/or approved by SSI's members.

12 48. Answering Paragraph 48 of Plaintiff's Complaint, Defendants admit that a Global
13 Settlement Agreement was reached regarding claims asserted by SIPC trustee Stephen E.
14 Snyder in November 2007, that Snyder was the trustee for the liquidation of Consolidated
15 Investment Services Inc., and that Norman P. Rounds and his wife had, directly or indirectly,
16 served as manager of SSI prior to Floworks. These answering Defendants deny any remaining
17 allegations that could be construed against them contained in Paragraph 48 of Plaintiff's
18 Complaint.

19 49. Answering Paragraph 49 of Plaintiff's Complaint, these answering Defendants
20 allege that the terms of the November 2007 settlement agreement speak for themselves. These
21 answering Defendants admit that a \$1.8 million stipulated judgment was filed with the Oregon
22 district court. The terms of the stipulated judgment speak for themselves. These answering
23 Defendants affirmatively allege that SSI members unanimously approved these terms. These
24 answering Defendants deny the remaining allegations that could be construed against them
25 contained in Paragraph 49 of Plaintiff's Complaint.

26 50. Answering Paragraph 50 of Plaintiff's Complaint, Defendants admit that Grand
27 Pac has filed actions to foreclose on trust deeds related to the Eugene Property. These
28 answering Defendants deny the remaining allegations that could be construed against them

1 contained in Paragraph 50 of Plaintiff's Complaint.

2 **Materially Misleading Information in Graham's August 19, 2005 Newsletter**

3 51. Answering Paragraph 51 of Plaintiff's Complaint, Defendants deny each and every
4 allegation contained therein.

5 **The Nature of the Transaction**

6 52. Answering Paragraph 52 of Plaintiff's Complaint, Defendants deny each and every
7 allegation contained therein.

8 53. Answering Paragraph 53 of Plaintiff's Complaint, Defendants deny each and every
9 allegation contained therein.

10 **The Value of the Eugene Property**

11 54. Answering Paragraph 54 of Plaintiff's Complaint, Defendants deny each and every
12 allegation contained therein.

13 55. Answering Paragraph 55 of Plaintiff's Complaint, Defendants deny each and every
14 allegation contained therein.

15 56. Answering Paragraph 56 of Plaintiff's Complaint, these answering Defendants
16 allege that the language and terms of the August 19, 2005 letter speak for themselves.

17 57. Answering Paragraph 57 of Plaintiff's Complaint, Defendants deny each and every
18 allegation contained therein.

19 58. Answering Paragraph 58 of Plaintiff's Complaint, Defendants deny each and every
20 allegation contained therein.

21 59. Answering Paragraph 59 of Plaintiff's Complaint, Defendants deny each and every
22 allegation contained therein.

23 60. Answering Paragraph 60 of Plaintiff's Complaint, Defendants deny each and every
24 allegation contained therein.

25 61. Answering Paragraph 61 of Plaintiff's Complaint, these answering Defendants are
26 without knowledge or information sufficient to form a belief as to the truth or falsity of the
27 allegations contained in Paragraph 61 of the Complaint and therefore deny the same.

28 62. Answering Paragraph 62 of Plaintiff's Complaint, Defendants deny each and every

1 allegation contained therein.

2 **Water Processing Equipment**

3 63. Answering Paragraph 63 of Plaintiff's Complaint, Defendants deny each and every
4 allegation contained therein.

5 64. Answering Paragraph 64 of Plaintiff's Complaint, these answering Defendants
6 allege that the terms and language of the August 19, 2005 letter speak for themselves. These
7 answering Defendants deny the remaining allegations that could be construed against them
8 contained in Paragraph 64 of Plaintiff's Complaint.

9 65. Answering Paragraph 65 of Plaintiff's Complaint, Defendants deny each and
10 every allegation contained therein.

11 66. Answering Paragraph 66 of Plaintiff's Complaint, Defendants deny each and
12 every allegation contained therein.

13 67. Answering Paragraph 67 of Plaintiff's Complaint, Defendants deny each and
14 every allegation contained therein.

15 68. Answering Paragraph 68 of Plaintiff's Complaint, Defendants deny each and
16 every allegation contained therein.

17 **The Status of the Transaction as a Tax Free Exchange**

18 69. Answering Paragraph 69 of Plaintiff's Complaint, Defendants deny each and
19 every allegation contained therein.

20 70. Answering Paragraph 70 of Plaintiff's Complaint, these answering Defendants
21 allege that the terms and language of the August 19, 2005 letter speak for themselves. These
22 answering Defendants deny the remaining allegations that could be construed against them
23 contained in Paragraph 70 of Plaintiff's Complaint.

24 71. Answering Paragraph 71 of Plaintiff's Complaint, Defendants deny each and
25 every allegation contained therein.

26 72. Answering Paragraph 72 of Plaintiff's Complaint, Defendants deny each and
27 every allegation contained therein.

28 73. Answering Paragraph 73 of Plaintiff's Complaint, Defendants deny each and

1 every allegation contained therein.

2 74. Answering Paragraph 74 of Plaintiff's Complaint, Defendants deny each and
3 every allegation contained therein.

4 75. Answering Paragraph 75 of Plaintiff's Complaint, Defendants deny each and
5 every allegation contained therein.

6 **Failure to Disclose Graham's Personal Financial Interests**

7 76. Answering Paragraph 76 of Plaintiff's Complaint, Defendants deny each and
8 every allegation contained therein.

9 77. Answering Paragraph 77 of Plaintiff's Complaint, these answering Defendants
10 allege that the terms and language of the August 19, 2005 letter speak for themselves. These
11 answering Defendants deny the remaining allegations that could be construed against them
12 contained in Paragraph 77 of Plaintiff's Complaint.

13 78. Answering Paragraph 78 of Plaintiff's Complaint, Defendants deny each and
14 every allegation contained therein.

15 79. Answering Paragraph 79 of Plaintiff's Complaint, Defendants deny each and
16 every allegation contained therein.

17 80. Answering Paragraph 80 of Plaintiff's Complaint, Defendants deny each and
18 every allegation contained therein.

19 81. Answering Paragraph 81 of Plaintiff's Complaint, Defendants deny each and
20 every allegation contained therein.

21 **Graham's Failure to Disclose Existing and Potential Liabilities Incurred by**
22 **SSI**

23 82. Answering Paragraph 82 of Plaintiff's Complaint, Defendants deny each and
24 every allegation contained therein.

25 83. Answering Paragraph 83 of Plaintiff's Complaint, these answering Defendants
26 allege that the terms and language of any such promissory note speak for themselves. These
27 answering Defendants deny the remaining allegations that could be construed against them
28 contained in Paragraph 83 of Plaintiff's Complaint.

1 84. Answering Paragraph 84 of Plaintiff's Complaint, Defendants deny each and
 2 every allegation contained therein.

3 85. Answering Paragraph 85 of Plaintiff's Complaint, these answering Defendants
 4 admit that one first mortgage loan from Grand Pac closed in October 2005. These answering
 5 Defendants deny the remaining allegations that could be construed against them contained in
 6 Paragraph 85 of Plaintiff's Complaint.

7 86. Answering Paragraph 86 of Plaintiff's Complaint, Defendants deny each and
 8 every allegation contained therein.

9 87. Answering Paragraph 87 of Plaintiff's Complaint, Defendants admit that the
 10 Grand Pac loans were not listed in SSI's 2005 financial statements distributed to SSI members
 11 in June 2006. These answering Defendants deny the remaining allegations that could be
 12 construed against them contained in Paragraph 87 of Plaintiff's Complaint.

13 88. Answering Paragraph 88 of Plaintiff's Complaint, Defendants deny each and
 14 every allegation contained therein.

15 **Other Materially Misleading Communications by Graham**

16 89. Answering Paragraph 89 of Plaintiff's Complaint, Defendants deny each and
 17 every allegation contained therein.

18 90. Answering Paragraph 90 of Plaintiff's Complaint, Defendants deny each and
 19 every allegation contained therein.

20 91. Answering Paragraph 91 of Plaintiff's Complaint, Defendants deny each and
 21 every allegation contained therein.

22 92. Answering Paragraph 92 of Plaintiff's Complaint, Defendants deny each and
 23 every allegation contained therein.

24 **FIRST CLAIM FOR RELIEF**

25 **Violations by Graham and FLOWorks of**
Section 10(b) of the Exchange Act and Exchange Act Rule 10b-5

26 93. These answering Defendants repeat and incorporate by reference their responses
 27 to Paragraphs 1 through 92 as if fully set forth herein.

28 94. Answering Paragraph 94 of Plaintiff's Complaint, Defendants deny each and

1 every allegation contained therein.

2 95. Answering Paragraph 95 of Plaintiff's Complaint, Defendants deny each and
3 every allegation contained therein.

SECOND CLAIM FOR RELIEF
Claim for Equitable Disgorgement Against
Relief Defendant Linworth LLC

6 96. These answering Defendants repeat and incorporate by reference their responses
7 to Paragraphs 1 through 95 as if fully set forth herein.

8 97. Answering Paragraph 97 of Plaintiff's Complaint, Defendants deny each and
9 every allegation contained therein.

10 98. Answering Paragraph 98 of Plaintiff's Complaint, Defendants deny each and
11 every allegation contained therein.

DEMAND FOR JURY TRIAL

Defendants demand a trial by jury as to all issues so triable.

AFFIRMATIVE DEFENSES

15 Defendants assert the following affirmative defenses to Plaintiff's Complaint and the
16 claims for relief asserted therein.

17 1. Plaintiff's Complaint, and each claim asserted therein, fails to state a claim upon
18 which relief can be granted.

19 2. Plaintiff lacks jurisdiction over this action to assert claims against these
20 Defendants.

21 3. Plaintiff's Complaint fails to plead facts sufficient to establish scienter as to
22 Graham or Floworks.

23 4. These answering Defendants lacked the requisite specific intent necessary for
24 Plaintiff to sustain their claims against these answering Defendants.

25 5. Plaintiff's Complaint, and each claim asserted therein, is barred by the doctrine
26 of estoppel

27 6. Plaintiff's Complaint, and each claim asserted therein, is barred by the doctrine
28 of unclean hands.

7. Pursuant to the Federal Rules of Civil Procedure all possible affirmative defenses may not have been alleged herein insofar as sufficient facts were not available after reasonable inquiry prior to the filing of this Answer, and therefore, Defendants reserve the right to amend this Answer to allege additional affirmative defenses if subsequent investigation so warrants.

WHEREFORE, Defendants pray as follows:

1. That Plaintiff take nothing by way of its Complaint;
2. That this Court dismiss Plaintiff's Complaint with prejudice;
3. That Defendants be awarded attorneys' fees and costs incurred in the defense of this action; and
4. For such other and further relief as the Court may deem just and proper.

Dated this 27th day of July, 2009.

GREENBERG TRAURIG, LLP

/s/ Christopher R. Miltenberger, Esq.

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*Attorneys for Defendants Lewis L.
and Floworks, Inc. and Relief De-
Linworth, LLC*

CERTIFICATE OF SERVICE

2 I do hereby certify that on the 27th day of July, 2009, I served a copy of the foregoing
3 DEFENDANTS LEWIS E. GRAHAM II AND FLOWORKS, INC. AND RELIEF
4 DEFENDANT LINWORTH, LLC'S FIRST AMENDED ANSWER TO COMPLAINT on:

Thomas J. Krysa
Thomas M. Piccone
Tracy A. Tirey
U.S. Securities and Exchange Commission
1801 California Street, Suite 1500
Denver, Colorado 80202
Attorneys for Plaintiff

Gregory A. Brower
Blaine T. Welsh
United States Attorney's Office
333 Las Vegas Boulevard, Suite 5000
Las Vegas, Nevada 89101
Associate Resident Counsel for Plaintiff

by causing a full, true and correct copy thereof to be sent by the following indicated method or methods, on the date set forth above

By electronic mail via the Court's electronic notification system or directly to the last e-mail address of the attorney.

/s/ Joyce Heilich
An Employee of Greenberg Traurig, LLP